



STARWOOD CAPITAL GROUP, ROUND HILL CAPITAL COMPLETE £120M UK STUDENT HOUSING INVESTMENT

LONDON and GREENWICH, CT – January 12, 2017 – Starwood Capital Group, a leading global private investment firm, and Round Hill Capital, a leading European specialist real estate investment and asset management firm, announced today that they have acquired, through a new joint venture involving controlled affiliates, an operational portfolio of six modern, purpose-built, premium student accommodation assets across the United Kingdom. As part of the transaction, the joint venture has also entered into a forward funding agreement for the acquisition of a development scheme in Newcastle. The total purchase price for the portfolio was approximately £120 million.

The direct-let properties are in central locations in top university cities across the U.K. The portfolio comprises high-specification assets with premium-quality communal areas and a total of 1,595 beds in a mixture of mainly large studios and ensuite bedrooms in cluster flats. The standing assets consist of The Haymarket in Edinburgh, Chestnut House in Cambridge, The Walls in Southampton, St James House in Glasgow and Union Square and Stepney Yard, both in Newcastle. The forward funded development in Newcastle is expected to be delivered in time for the 2018–19 academic year.

“Starwood Capital has an established platform of student housing in the U.S., with 6,855 beds under management, and based on our strong performance and track record, we are keen on expanding our footprint in this sector in the U.K.,” said Zsolt Kohalmi, Head of European Acquisitions at Starwood Capital Group. “We are excited to work with Round Hill Capital and Nido as our partners on this investment, which boasts assets in superb locations and strong student markets that provide a high-quality offering to students. We believe that the U.K. is and will continue to be one of the top educational destinations for international students. We believe that student housing offers the potential for compelling risk-adjusted returns—based on a history of producing robust rental growth and maintaining high occupancy even amidst the last economic crisis—and we look forward to building on this transaction to establish a sizeable student housing platform in the U.K.”

The portfolio will be optimised through active, hands-on management via Round Hill’s well-established Nido Collection brand and operational platform for student accommodations. Round Hill has a successful track record of investing in and operating student accommodation assets, having acquired, built up and managed over 2,700 student housing beds. In 2015, Round Hill sold 2,378 beds to Greystar Real Estate Advisers in 2015 for £600 million.

“Round Hill has an established and successful investment track record and operational expertise in premium student accommodation in the U.K., and we are very pleased to make this acquisition through our new U.K. joint venture with Starwood Capital Group,” said Michael Bickford, Founder and CEO of Round Hill Capital. “We look forward to actively managing and repositioning the portfolio and building a substantial premium student accommodation platform in partnership with Starwood Capital Group in key cities across the U.K. The demand for higher education in the U.K. is continuing to rise but the student housing market still suffers from structural supply constraints for high-specification properties in key university cities. Taken together with the sector’s growing and stable cash flows and our proven Nido Collection brand and operating expertise, this acquisition provides a compelling investment opportunity.”



Starwood Capital Group and Round Hill were advised by Savills on the acquisition.

About Starwood Capital Group

Starwood Capital Group is a private alternative investment firm with a core focus on global real estate, energy infrastructure and oil & gas. The Firm and its affiliates maintain nine offices in three countries around the world, and currently have more than 2,000 employees. Starwood Capital Group has raised over \$37 billion of equity capital since its inception in 1991, and currently manages approximately \$52 billion in assets. The Firm has invested in virtually every category of real estate on a global basis, opportunistically shifting asset classes, geographies and positions in the capital stack as it perceives risk/reward dynamics to be evolving. Over the past 25 years, Starwood Capital Group and its affiliates have successfully executed an investment strategy that involves building enterprises in both the private and public markets. Additional information can be found at www.starwoodcapital.com.

About Round Hill Capital

Round Hill Capital is a leading European specialist real estate investment and asset management firm. Round Hill Capital has a long and proven reputation for successfully identifying and acquiring high quality European real estate.

Round Hill Capital is a highly focused investor and is experienced in establishing and running first class operating companies, having successfully acquired and managed more than 100,000 residential units across Europe and is currently one of the largest private landlords in both the Netherlands and Czech Republic.

Round Hill Capital has an established track record of generating market leading risk adjusted returns and invests and asset manages real estate with some of the world's leading institutions and private investors.

Further information on Round Hill Capital is available at: www.roundhillcapital.com.

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